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Out-of-state resources were also split into smaller components. Because out-of-state resources cover much larger geographic areas and have a large variation in costs, they were split into as many a four different sub-regions.

5.5 Out-of-State Resources

After identification of the in-state CREZs necessary to meet the net short requirements, out-of-state resources that could be competitive with these CREZs were identified. Such resources presumably could justify the cost of new transmission construction and still be competitive with in-state California resources. RETI identified a total of over 40,000 MW of projects capable of delivering power to California. These projects have a generation potential of approximately 110,000 GWh/yr. Resources were originally identified in Arizona, Nevada, Oregon, Washington, British Columbia and Baja as being possible to support California load. Based on the economic modeling, 15,000 GWh/yr of out-of-state resources were considered competitive with California CREZs, as summarized in Table 5-3. These resources include wind and geothermal in British Columbia, geothermal in Oregon and Nevada, and wind resources in Baja. Wind resources in Mexico look particularly promising, and more study is recommended to refine the economic estimates and the environmental factors.

Additional out-of-state resources that could be cost competitive under certain scenarios are identified in the sensitivity analysis.

Table 5-3. Cost-Competitive Out-of-State Resources.

Region	Capacity (MW)	Annual Energy (GWh/yr)	Weighted Average Rank Cost ($/MWh)
Nevada	427	2,976	-21
Oregon	392	2,848	-19
Baja California Norte*	2,368	7,633	-11
British Columbia**	340	1,553	-9

Notes:

* Assessment of Baja wind resources in this project was preliminary. Evidence exists that additional resources may be cost effective, and this should be further explored in Phase 2.

** An additional 700 MW of resource (1040 MW total) is available at a relatively competitive cost of $5/MWh.

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No Arizona or Washington resources were identified as being competitive with the top tier CREZs identified in-state. Solar generation in Arizona was not cost

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